



## **Request for City Council Committee Action From the Department of Human Resources**

Date: November 14, 2002

To: Ways and Means/Budget Committee

Prepared or Submitted by \_\_\_\_\_ Ann Eilbracht, 673-2139

Approved by \_\_\_\_\_, John Moir, City Coordinator

**Subject: Starting salary for newly hired appointed employees**

**Presenters in Committee:** Ann Eilbracht

### **Recommendation**

Revise the Appointed Employee Salary Administration Plan to be consistent with the 1989 policy granting the Human Resources Department administrative authority to approve extraordinary salary adjustments. This was approved by the Executive Committee at their November 13, 2002 meeting.

### **Financial Impact** (Check those that apply)

☒ No financial impact or Action is within current budget.

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

### **Background/Supporting Information -**

In 1995, the City Council adopted the Appointed Employee Salary Administration Plan. This plan is attached for your review. Prior to the adoption of this plan, the City had problems with inconsistent application of wages, lack of relationship to the labor market, and perceptions of gender based inequality in the pay rates. The plan adopted in 1995 provides a standardized approach to appointed employee compensation that considers the relevant labor market, the internal value of the job, and provides for merit-based pay. As part of this plan, the

Human Resources Department conducts a market salary survey every three years.

The salary plan provides four salary steps for each position. The first step, or the "start rate," pays at 95 percent of the job rate. The job rate is based on market surveys and our internal classification system formula for computing point to pay. The second step, typically granted after one year of service, pays at 100 percent of the job rate. The third step, typically granted after three years of service, pays at 103 percent of the job rate. The fourth step, typically granted after the sixth year of service, pays at 105 percent of the job rate. No appointed employee is granted a salary step increase without a satisfactory performance review from his/her supervisor. In the case of department heads, this review must come from the Mayor.

The plan provides for some flexibility in setting wages and hiring above the start rate. It states, "Decisions for hiring above the start rate need to be well documented by the department head and Human Resources. Pay outside the ranges requires approval of the governing body." In the procedures section, it states, "Starting salary at a rate other than Step One must be well documented by the department and approved by the City Council."

### **Compensation Administration for Classified Employees**

In 1989, the City Council approved a policy giving the Human Resources Department administrative authority to approve extraordinary salary step requests. It states, in part, "Starting rates for new hires at other than the beginning step with verification of previous experience in public or private sector warrant special consideration."

Salary schedules for classified employees are generally established with seven annual step increases. Newly hired employees are hired at the first step, unless the department requests a higher starting salary. The Human Resources Director will grant starting salaries as high as Step Three, if provided with sufficient documentation to warrant the exceptional salary. Requests for starting salaries above Step Three have historically been brought to the City Council for review and approval. Department heads requesting such starting salaries address the following issues in their requests:

1. Previous recent years of very similar work experience,
2. Previous accomplishments in the same areas of responsibilities as the new job,
3. Recent relevant educational accomplishments exceeding the job requirements,
4. Difficulty in filling the position because of unique skill requirements,
5. Current salary of candidate, if performing a very similar job,
6. Department's capacity to pay for the increased starting salary.